

If the Australian Army existed for peace only there would be good grounds for giving the whole of the new department a purely civilian character. The peace work of the department could, during most of the year, be done by civilians as well as by men with military rank and title; but during manœuvres and in war the military character of the administrator must be recognized in all matters where financial responsibility is not concerned. He must wear uniform; he must be under military discipline; and he must himself have powers of discipline over his own personnel and over all military subordinates with whom he may be brought in contact. Further, his position will certainly be strengthened, and his power for good enhanced, if he possesses a recognized military title.

For supply and transport work, for ordnance duties, for the functions of the pay department, and for the clerical establishment in military offices military rank and status are, in my opinion, absolutely essential; and, on grounds of homogeneity, I recommend their general adoption throughout the whole department.

*Homogeneity essential.*

82. The evils arising from a lack of homogeneity are well exemplified in the existing state of the Ordnance Department, two-thirds of whose members are under the Defence Department and one-third under the Public Service Commissioner. I venture to suggest that not a soul, either in the Ordnance Department itself or outside of it, can be found to defend this system, or, rather, want of system. I have had the advantage of studying a report by Major Austin, of the Imperial Army Ordnance Department, in which he recommends the formation of a Military Ordnance Corps in Australia. With many of his recommendations I am in agreement. Under my proposals, however, the ordnance personnel of the Australian Army will in future form an integral portion of the new business department, wearing its uniform and conforming to the rules governing it as a whole. The formation of the ordnance section in the new department is one of the many matters which should claim the early attention of the new business chief, who will, I am convinced, find Major Austin's report of much assistance.

*Chief of Ordnance's Department.*

83. The institution of the new business department and a strict observance of the duties assigned the General Staff and to the Adjutant-General will render the retention of the Chief of Ordnance's department unnecessary. A system which places the command and administration of the corps of Artillery and Engineers apart from the rest of the Army is a bad system, and should be abolished forthwith. It is reminiscent of a state of affairs which, even in pre-Crimean days, was hardly tolerable. The administration of the personnel of these corps should rest with the Adjutant-General to the same extent that the administration of the other arms is vested in his department; and their training, as well as coast-defence policy, should be controlled by the Chief of the General Staff. The purely administrative functions of the Chief of Ordnance's Department should be transferred to the new business department.

Duties like the control of factories and the erection of works, which in London are assigned to the Master-General of Ordnance, are in Australia carried out elsewhere or by other means. Any need, therefore, for the Chief of Ordnance's Department is not apparent under the new conditions.

*Finance the Central Feature.*

84. Among the duties assigned to the new department would be the compilation of the parliamentary estimate, the accounting for all sums expended by the Defence Department, cash payments, the examination of accounts, and the provision of the financial personnel required to assist the other branches of the Defence Department. Accordingly, the creation in it of a special finance section is essential. It should also be the central section of the new department. The bulk of the powers now vested in the Finance Member could at once be transferred to it, and all necessity for a Finance Member and for a separate Finance Department would disappear. In this way large economies should ensue both directly, owing to the absorption of a Finance Department that is separate from the main administrative work of the Army, and indirectly by the disappearance of interminable correspondence which will result when financial control and administrative responsibility are amalgamated under one head. The members of the existing Finance Department would find ample scope for their special knowledge both in the central section of the new department as well as in the administrative branches which it is proposed to set up in districts.

The Auditor-General should make the necessary arrangements for a proper audit of military accounts and stores, and any duplication of audit within the department itself would appear to be an unnecessary expense.

*Formation of the New Department.*

85. The new department should therefore be formed, in the first instance, by absorbing into it the existing Army Service Corps as well as such members of the Ordnance Department, of the existing Pay Branch, of the corps of military staff clerks, and of the Quartermaster-General's, Chief of Ordnance's, and Finance Member's departments as may be required. The new departmental corps as a whole might be known as the Australian Army Service Corps. It should be recruited by young men from eighteen to twenty years of age selected by competitive examinations. Officers of the combatant branches up to, say, twenty-four years of age might also be permitted to enter the department after passing a qualifying examination. A probationary period of at least a year should be a *sine qua non* for every one who enters the department. Every officer should, at an early stage, serve for a period in the central section of the department. Promotion throughout the department should be by selection. The responsibility for reporting on the business capabilities of subordinates should rest with their departmental superiors.